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SUBJECT: BRAZIL AND THE FOREST 11 STATEMENT: PRIMARILY A POLITICAL GESTURE

REFTEL: 2006 BRASILIA 2661

11. (U) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED AND NOT FOR INTERNET DISTRIBUTION.

12. (SBU) SUMMARY. On September 24, 2007 leaders from eleven Tropical Rainforest Countries (the Forest 11) issued a joint statement calling for, inter alia, cooperation to slow, stop and reverse deforestation and for greater international recognition of these efforts as a means to combat climate change. On its face, the statement appears to indicate a unified stance among the Forest 11 with an eye toward the upcoming United Nations Framework Convention on Climate Change (UNFCCC) talks in Bali. However, while the Forest 11 states appear to share a common view that a global scheme to address deforestation should be part of any discussions aimed at combating global climate change, the group has not reached a consensus on what such a scheme would entail does not exist. The GOB is at least one participant in the Forest 11 that holds diverging views with some of the other participants. END SUMMARY.

13. (SBU) On October 4, 2007, ESTH Officer contacted Paulo Jose Chiarelli, Deputy Director of the Ministry of Exterior Relations' (MRE) Division for Environmental Policy and Sustainable Development, to discuss the Forest 11 initiative and to learn more about the Government of Brazil's (GOB) role as a participant. According to Chiarelli, the GOB agreed to support the Indonesian initiated Forest 11 joint statement [along with Cameroon, Colombia, Congo, Costa Rica, Democratic Republic of Congo, Gabon, Indonesia, Malaysia, Papua New Guinea, and Peru] at the eleventh hour. It was not particularly difficult for the GOB to join the group, especially due to the decision among participant governments to highlight their similarities, rather than to debate differences and details. In this regard, he emphasized that to the GOB the statement definitely is not a "coalition" or a group aiming to table a specific proposal in the upcoming meeting of the UN Framework Convention on Climate Change (UNFCCC) in Bali in December and beyond. Chiarelli said the GOB considers the statement to be a non-binding political statement and not one meant to be a mandate or common negotiating roadmap.

14. (SBU) To this end, Chiarelli explained that by signing the statement, the GOB wanted to accomplish at least two goals: 1) show support for Indonesia during its UNFCCC COP 13 Presidency, and; 2) ensure that compensated deforestation reduction as a means to combat climate change is adequately credited under a global climate change framework and addressed in a way that fosters economic development.

15. (SBU) The GOB does not, Chiarelli emphasized, agree with the entirety of the Forest 11 statement on the strategies and mechanisms for achieving this latter goal. For example, he said that Costa Rica's desire to include a cap and trade market system in deforestation reduction efforts is not acceptable to the GOB at this

time. (Note: the GOB has made its position clear in this regard in the past and more recently by not participating in deforestation reduction talks among Latin American countries held in Santiago, Chile in August, 2007. End note). The GOB would similarly disagree with other countries that are in line with Costa Rica. Instead, the GOB continues to tout its purely voluntary compensated deforestation reduction proposal and continues to refine its details (reftel). While it does support new funding for these efforts, Chiarelli pointed out that the GOB refers to this new funding as "mechanisms" or "positive incentives" and does not necessarily support the creation of a new international fund.

16. (SBU) COMMENT. The GOB's participation in the Forest 11 joint statement is generally in line with its view to obtain financial incentives for reducing the rate of deforestation. In this regard the Forest 11 appears to share a common perspective. However, the GOB believes that to assure continued economic development these efforts should be voluntary and free of market intrusions, and its inability to convince at least some of the Forest 11 that the GOB proposal is paramount also appears to show that it is not likely that the Forest 11 will come to Bali with a common approach to reducing deforestation as a means to combat climate change. END COMMENT.

CHICOLA